

The logo for ISFOL, consisting of the letters 'ISFOL' in a blue, serif font. The 'I' and 'S' are connected, and the 'F' is stylized. The logo is positioned to the left of a large, white, abstract graphic element that resembles a stylized 'S' or a wave.

# Mapping Skills Shortages Planning the future

Athens, March 31<sup>o</sup> 2014

**Where PIAAC can make a difference in  
Policy Planning: a case for Italy**

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Yes, PIAAC can make a difference in Policy planning as it gives a comprehensive picture on Human Capital role as a driver for individual life-chance and social well-being as well as economic growth

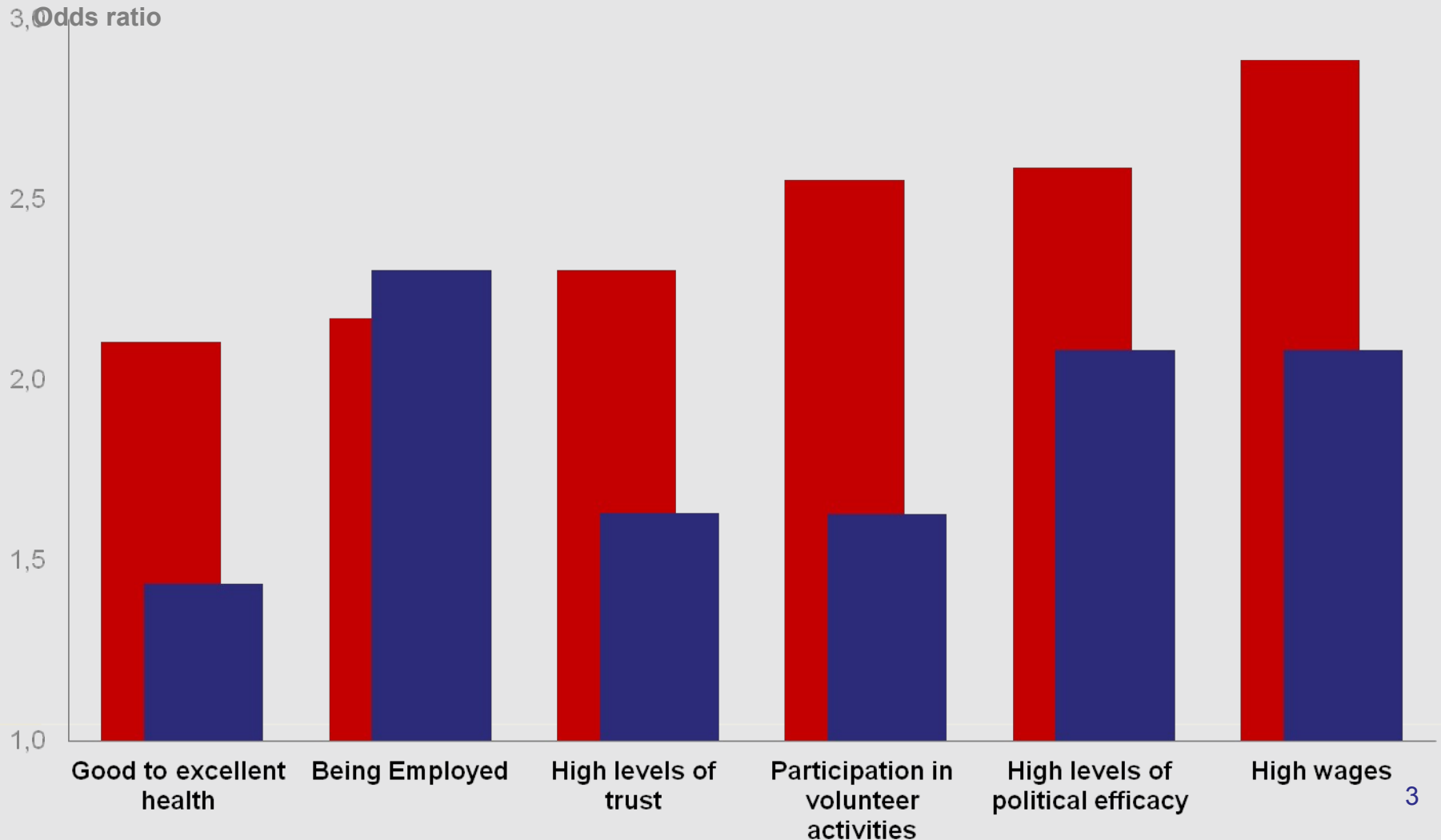
People skills have a major impact on their life- chance : people scoring at level 4 or 5 in literacy – those who can make complex inferences, evaluate and manage arguments in written texts are much likely to be employed and to have higher wages than those scoring at level 1 or below – who can, at best, read relatively short and very simple texts, or understand basic vocabulary

Having strong foundation skills also helps individuals to be in good health, to be able to trust and help others and to participate in and influence civic life

# Likelihood of positive social and economic outcomes among highly literate adults

(scoring at Level 4/5 compared with those scoring at Level 1 or below)

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# Why PIAAC can make a difference in policy making



Information processing skills are the result of a cumulative process of learning which include formal education and its quality, non formal learning through continuing training, work experience, active participation in the labour market and performing challenging tasks at work. The development of skills is a dynamic process that takes place throughout life. But skills are not acquired forever, if not activated and used they decline or atrophy

Being an outcome of a cumulative process of learning, skills are learnable and therefore influenced by policy making and by human resources practices management.

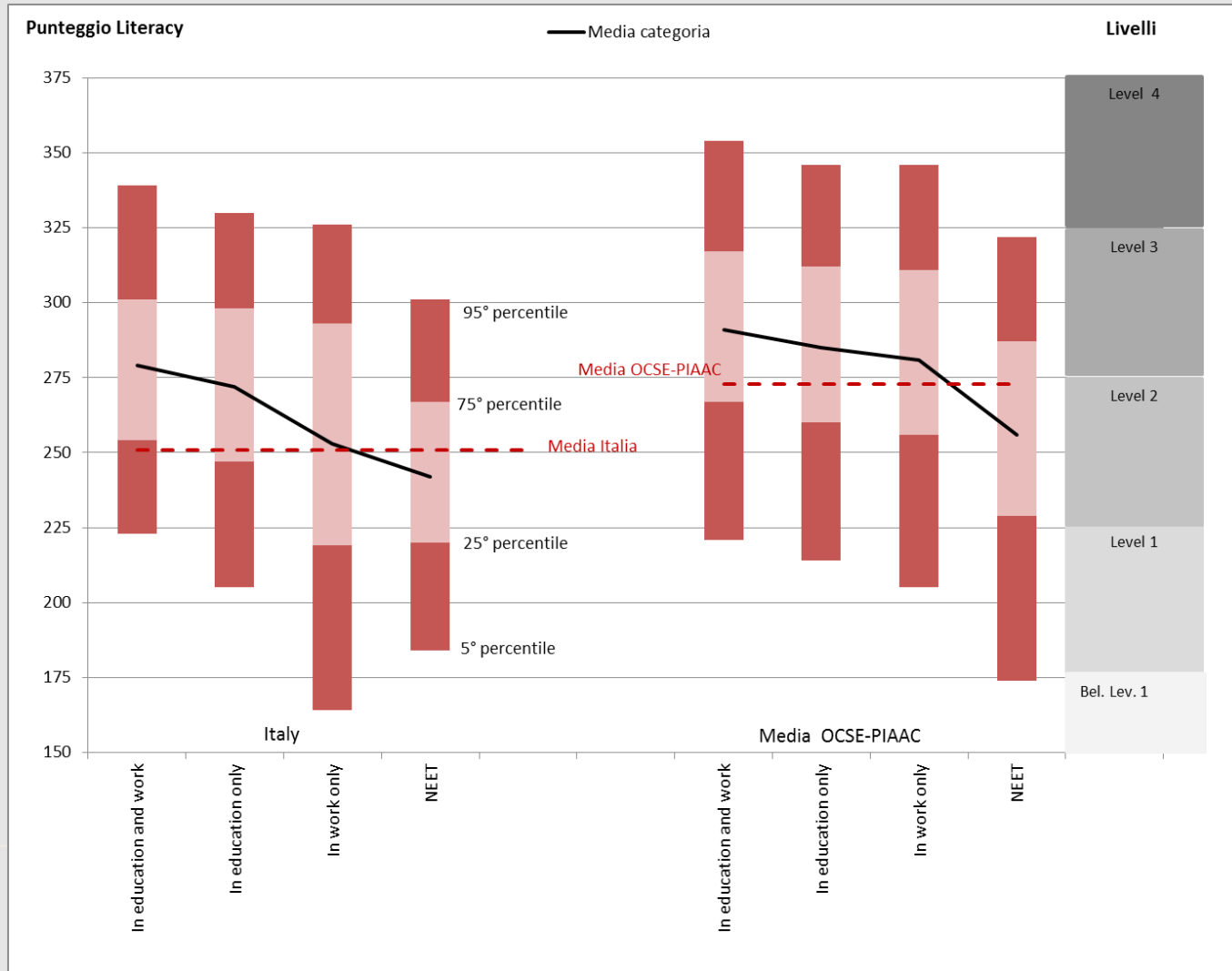
# A wake up call for Italy



Italy badly performed in adult skills proficiency. A significant number of adults have low levels of proficiency in the information-processing skills increasingly needed in the information societies of today (28% at or below level 1). Young adults perform better than older ones. Women perform better than men. NEETs are the worst performers

Performance gap is wide between regions: North Eastern and Central Italy with scores around OECD average and Southern Italy much below the average

# Confronto “Italia/media OCSE” fra: punteggi medi al 5° al 25° al 75° e al 95° percentile NEET/altre condizioni nella fascia di età 16-29 sulla scala di competenze di literacy



# A wake up call for Italy



As a consequence of the evidences provided by PIAAC, Ministers of Education and Employment and Social Policy set a High level expert group to make proposals and give advice to the Government on setting up an adult skills strategy and policies

We submitted and discussed the report in mid-February. It was made public on the web-sites of the two Ministries

# Why PIAAC can make a difference in policy making Challenges

PIAAC evidences allow for systemic analyses, as a prerequisite for setting up consistent strategies and skills policies.

In Italy performances level in foundation skills are correlated with education levels (like in all participant countries), but vary for individuals with similar qualifications and, on average, skills decline is observed in the cohorts after the age of 16.

It is not only a matter of the quality of education, but also;

- Early School Leaving
  - Low Levels of Participation in Tertiary Education
  - Low Levels of Participation in Adult Education and Training
    - High Level of Needs
    - Women Low Activity Rates
- Aged Population (Older Cohorts with Very Low Levels of Edu)
  - Spells of Long-term Unemployment
    - Social Background
    - Mismatch and Low Skills Use

have important impact on foundation skills performance in Italy



# Why PIAAC can make a difference in policy making - Challenges



Quality of education and curricula do matter too:

- values in the education system still focused on knowledge rather than on skills
- academic approach to learning even in lower secondary and in VET
- limited but evolving learning at the workplace and apprenticeship
- conservative attitudes towards skills measurement and evaluation

# On the way to a skills strategy: the approach



Education&Training alone is not the only answer, it's simply the "easiest" part of the answer as skills that are not activated and used effectively are bound to atrophy and do not automatically translate into better jobs and well-being

Need to stop the vicious circle that mainly affects young people in their transition to the working life, women out of the labour market and long-term unemployed

**unemployment/NEET -> skills loss-> more long term unemployment -> additional skills loss->risk of poverty and marginalization**

# On the way to a skills strategy: the approach



The high level expert group made a comprehensive proposal that includes the 3 components of a skills strategy

- skills formation
- activation of skills
  - use of skills

with the 2 Ministries and also providing inputs to the preparation of the Italian Youth Guarantee Implementation Plan (YG).

# On the way to a skills strategy: effective skills supply



Mix of policies that include recent implemented ones which proved to be effective. Aimed at skills development in initial and adult education and training and on fighting early school leaving, focus on:

- strengthening foundation skills in compulsory education
- better arrangements to promote permeability between different learning pathways, mainly between Regional VET roads to qualifications and State diplomas
- strengthening partnerships between the world of education and the world of work
- making education&training responsive to skills needs. Skills intelligence. Higher Technical Schools

# On the way to a skills strategy: effective skills supply



- Increasing periods of learning at the workplace non only in VET but also in general education and in tertiary academic education. Revision of apprenticeship. Two weeks ago the new Government made apprenticeship more attractive and easy to use
- Use of ICT, distant learning and open educational resources
- Use of effective pedagogies starting from early childhood education

# On the way to a skills strategy: effective skills supply



- Moving towards teachers role as active knowledge facilitators
- Increasing the supply of adult education&training opportunities with learning methodologies and pathways that integrate the acquisition of foundation skills with transversal skills and occupation-specific skills. Flexible learning targeted to the profile and the needs of learners (focus on adults who lost their job and on immigrants) and workers/employers ( Sectoral Training Funds). Dedicated TV channels
- Opening up universities to adult learning (short courses)
- Quality traineeship
- Strengthening skills measurement and schools performance evaluation as to assure overall quality

# On the way to a skills strategy: activation of skills



With a very high unemployment rate, difficult transitions into the labour market and a high share of NEETs, young people are the most affected by the Italian economic crisis. Young NEETs have the lowest scores in foundation skills, they are also low qualified

NEETs are currently the main target group of activation policies (YG and ALMP), the policy mix aims at increasing their skills and integrating them into work. Focus on second chances learning in VET, Adult learning and Quality traineeship pathways with a clear link with the labour market and skills needs

# On the way to a skills strategy: activation of skills



Make a case for skills, mobilize and network all actors that can aggregate and activate people at local level (youth, women and seniors) and, at the same time, giving them a chance for skills development (also on specific issues like own finance management, social insurance, health) and use: public and private employment services, non-profit organizations, public libraries, health centres, banks, seniors community centres, community schools, social insurance centres...

Opening schools (evening, week-ends) to the community and its citizens , to become and act as “firms for culture”



# On the way to a skills strategy: activation of skills



Communication campaign to motivate people and institutions to engage in adult learning. Use of the current online tools for guidance and employment

Incentives to recruit on a permanent contract the low qualified and long term unemployed

Career guidance and counseling can help young people entering the labour market and adults to look for jobs consistent to their skills or where they can develop skills and make sound choices

# On the way to a skills strategy: effective use of skills



Low qualified adults may have gained strong skills during their working life, but this is poorly signaled to employers

Migrant workers may have high qualifications and skills which are neither recognized nor known

Certification of learning outcomes acquired in non-formal and informal learning pathways is an effective currency to make skills transparent and effectively used

PIAAC evidenced that in Italy, over skilling is higher than over education, thus the need for validation of skills to be made visible in the Italian learning portfolio, even if they do not reflect a full qualification and are not included in the NQF

# On the way to a skills strategy: effective use of skills



Making the best use of young talent pools = entrepreneurship and innovative start up. Promotion of Innovative New Craft where the New Makers can integrate foundation and technical skills with ICT skills and new technologies (3D printers)

# Effective use of skills: moving production up the value chain



PIAAC shows a trap of low skills equilibrium in the Italian labour demand and supply. Composition of occupations concentrate on medium skilled jobs (slower decline of routine jobs since the recession) and skills are under-utilized, even in knowledge and skills intensive occupations (persistence of level 3 in literacy and numeracy in ISCO 1-3 groups) . Use of soft skills at the workplace is lower in Italy than the OECD average. Negative impact on earnings, productivity, innovation and growth

To move up the skills equilibrium and make the best use of skills, production as a whole should move up the value chain. The skills strategy should include industrial and development policies as well as innovative human resources management practices

# Effective use of skills: moving production up the value chain



## On-going actions:

➤ Incentives to the private sector (SMEs) to invest in research and development also in partnership with universities, ICT and technologically advanced equipments, recruiting researchers and high skilled workers, innovative start up...

## Proposals for actions:

- Promote social dialogue on HRM practices that can make the best use of skills and further develop skills for innovation (integrated bundle of HRM practices that include training, work organization, performance pay).
- Implement innovative work organization and HRM in the public sector



**Thank you for your attention**

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